



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



SEPTEMBER 26, 2000

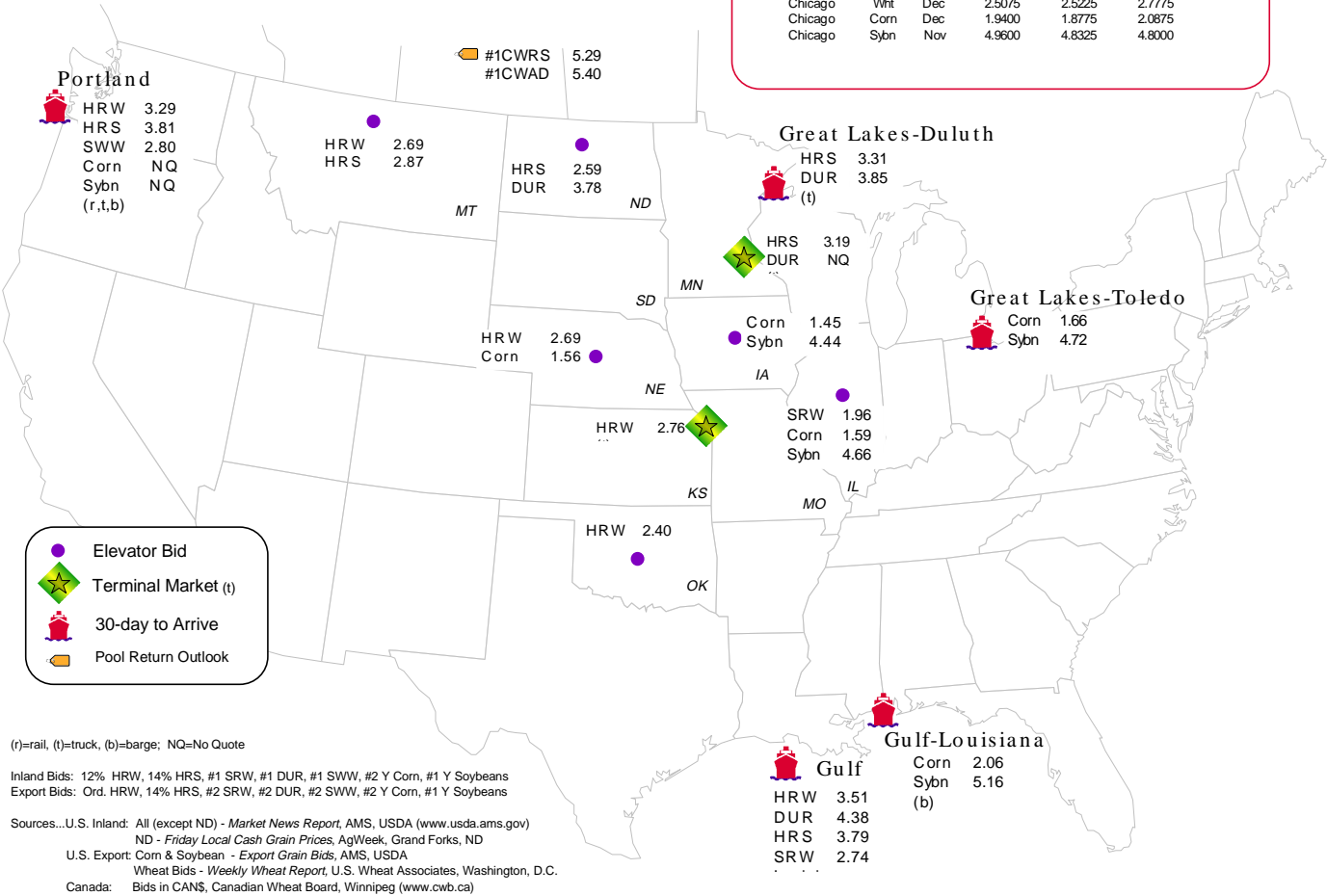
Grain Loads Less Lucrative For Truckers. In addition to another year of low grain prices, farmers may be facing a transportation problem at harvest. High fuel prices are decreasing the profit margins of grain-hauling truckers this year, causing many to switch to higher profit nongrain loads. "Grain is not lucrative," according to Dave Ross, owner of Atlantic Carrier, an Atlantic, IA, trucking firm. "There is just more money in nongrain loads," stated Ross, adding that grain shipments generally pay 20 to 25 cents per mile less than shipments of manufactured goods, which, unlike seasonal grain shipments, also provide the added benefit of steady business throughout the year. Ross, along with other trucking sources, also noted a decrease in the number of grain trailers within the industry; they are gradually being replaced with flatbed trailers. Even with the apparent decrease in the number of grain-hauling truckers, some Midwest grain companies do not yet see it as a serious problem. The busy harvest season in the Corn Belt, however, usually occurs during October and early November. Also, much of the grain already harvested has gone into storage, lessening the demand for transportation. "I think every carrier is going to be assessing what they are hauling and what they are getting paid for it," stated Bob Costello, chief economist for the American Trucking Association (ATA). According to the ATA, approximately 35,000 long-haul trucks have ceased operating since last January due to higher fuel and other operating expenses. Truckers have been adding a 5- to 8-percent surcharge to offset the higher fuel costs, but many find this to be inadequate. "I'm still making a profit, but it's thin," according to Ken Hull, president of an Illinois trucking firm, hauling coal and grain. (*Reuters* 9/22, *USDA*)

U.S. Exports To China Expected To Increase. China's anticipated entry into the World Trade Organization (WTO) is raising the trade expectations of many U.S. producers and agricultural officials. Boasting a population of 1.3 billion, China holds strong potential for U.S. market growth, especially for agriculture, the industry which is expected to realize the most significant and immediate increase in sales. As part of the WTO agreement, China will phase in tariff concessions by 2004, significantly reducing tariffs on U.S. agricultural imports and potentially translating into an additional \$2 billion in annual sales for U.S. agriculture by 2005. This, along with other provisions of the agreement, comes as welcome news to U.S. agriculture, which has been experiencing difficult economic times during recent years. "Quite simply, this is a great one-way deal for U.S. agriculture," according to Lynn Jensen, president of the National Corn Growers Association. He added, "We gain access to the largest market in the world, and we give up nothing in return." Since China has agreed to eliminate its use of export subsidies, U.S. corn will become more competitive in markets that have been buying subsidized Chinese corn. China has also agreed to increase the amount of imported U.S. corn if admitted into the WTO. Other provisions of the agreement that will potentially benefit U.S. agriculture include the removal of China's import ban on wheat and other grains from the Pacific Northwest. It will also permit foreign enterprises to engage in a full range of distribution services for most products, including grain. This will be phased in over a 3-year period, should China be admitted into the WTO. The trade bill, which passed the U.S. House of Representatives in May and the Senate last week, now awaits approval by the President. (*The Press-Enterprise*, *Riverside*, CA 9/27, *BridgeNews* 9/19, *The Boston Globe* 9/21, <http://www.chinapntr.gov/2/15>)

Asian Demand Boosting Soybean Exports. U.S. soybean producers may have reason to be optimistic, following USDA estimates of a record soybean harvest of 78.9 million metric tons. Thanks to increased Asian demand for U.S. soybeans, especially by China, USDA forecasts soybean exports at 27.2 million metric tons for the 2000/2001 marketing year, an increase from 26.7 million metric tons during the previous year. China imported 5 million metric tons of U.S. soybeans during the 1999/2000 marketing year due to lower production in China, increased processing capacity, and attractive prices. In addition to the increase in Asian demand, Tim Galvin, administrator of USDA's Foreign Agricultural Service (FAS), stated that "record U.S. supplies and reduced competition from South American suppliers are also major factors in the upsurge in shipments." Based on FAS-generated data, the United States held 82 percent of the absolute market share for soybeans imported by China during 1997. FAS also projected the rate of import growth for soybeans into China to be 10 percent from all suppliers during 1998-2004. "The bottom line is that foreign demand is growing at a rapid pace and the United States has abundant, high quality supplies to meet the demand," said Galvin. (*Reuters* 9/26, <http://www.fas.usda.gov/cmp/prospects/China.html>)

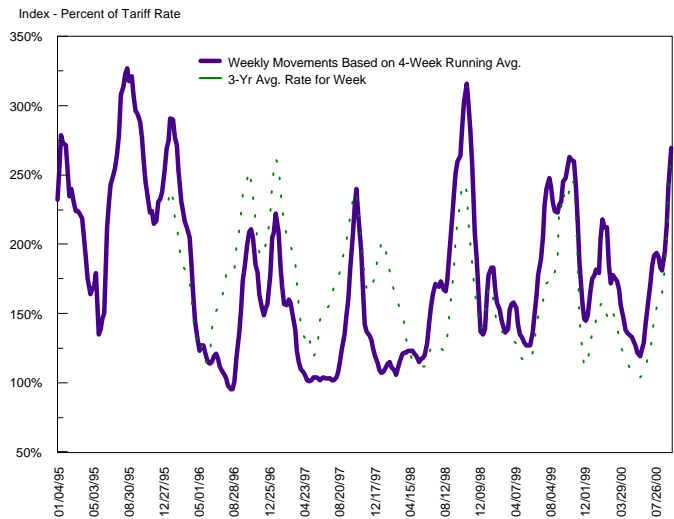
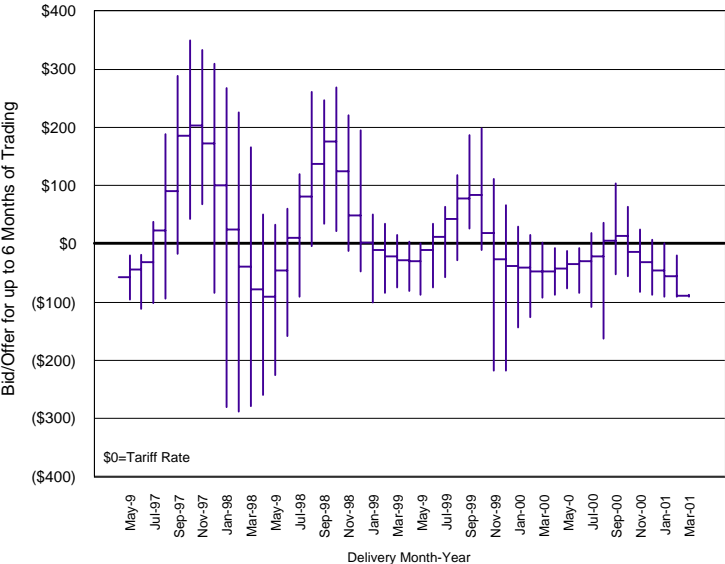
Changes To BNSF Demurrage. The Burlington Northern Santa Fe Railroad (BNSF) has announced several changes to its proposed demurrage rules following the September 21 National Grain Car Council meeting. During the initial September 7 announcement, Steve Bobb, BNSF group vice president, Agricultural Products, stated that "these new rules are intended to encourage faster loading and release of cars so we can maintain the high level of on-time service we have provided this year." Based on the latest changes, BNSF intends to continue allowing 48 hours loading time for wheat, durum, and barley shippers during "peak season" (tentatively, August through January), with Sunday no longer a demurrage-free day. Whole grain shippers, including corn, grain sorghum, oats, rye, and soybeans, will have 24 hours to load before demurrage rates accrue, with Sunday not being a demurrage-free day. Daily "peak season" rates will increase from \$50 to \$75 per car. "Off-peak season" daily demurrage will decrease from \$50 to \$25 per car for grain and grain products, with Sundays demurrage-free. Changes will be implemented October 1, 2000. (http://www.bnsf.com/media/html/what_s_new_2.html, <http://www.grainnet.com/BreakingNews>, <http://www.ngfa.org>)

Grain Bid Summary



Spot Barge Rate - Illinois River

Secondary Rail Market Bids



Rail Car 'Auction' Offerings				
Delivery for:	Oct-00		Dec-00	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	13,804	50%	12,540	6%
UP-GCAS	5,400	13%	5,400	2%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Oct-00	Nov-00	Dec-00	Jan-01
BNSF-GF	\$(4)	\$(81)	\$(87)	\$(86)
UP-Pool	\$(56)	\$(83)	\$(83)	\$(90)

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
 GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Nov-00	Dec-00	Jan-01
COT/N. Grain	\$0	\$0	\$0
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid
GCAS/Region 4	no bid	no bid	no bid

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
 (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

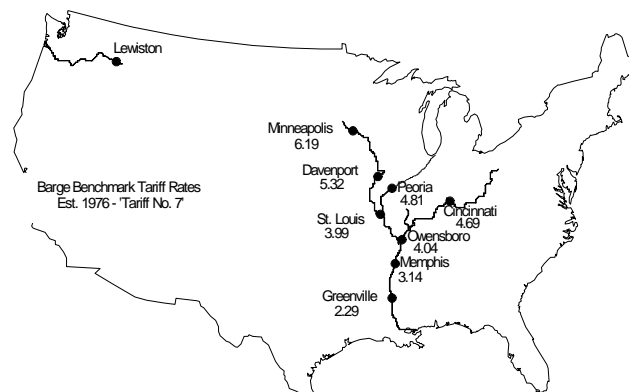
Week ended	River/Region	Contract Period	Rate	
			Bid	Offer
9/26/00	St. Louis	wk. 9/24	305	315
		Oct.	260	280
		Nov.	160	180
		Dec./Jan.	155	165
	Illinois River	wk. 9/24	300	310
		Oct.	285	295
		Nov.	195	205
		Dec.	190	200
	Mid Miss	wk. 9/24	300	310
		Oct.	295	300
		Nov.	210	215
	Twin Cities	wk. 9/24	295	305
		Oct.	295	310
	Lower Ohio	wk 9/24	300	310
		Oct.	280	290

Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

Southbound Barge Freight Spot Rates

	9/20/00	9/13/00	Oct. '00	Dec. '00
Twin Cities	313	280	310	0
Mid-Mississippi	332	277	298	0
Illinois River	320	270	290	198
St. Louis	332	255	272	158
Lower Ohio	334	278	293	164
Cairo-Memphis	320	253	265	153

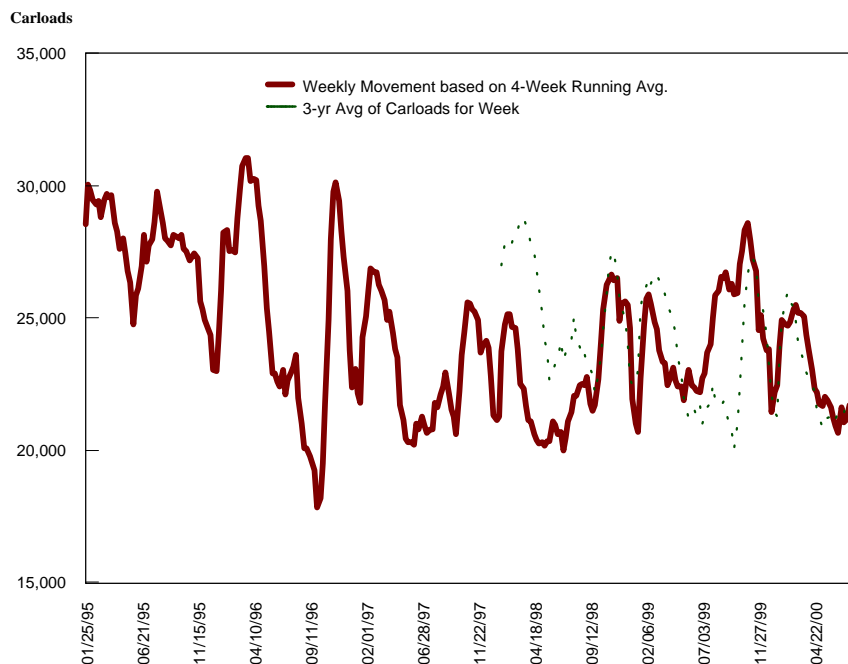
Source: Transportation & Marketing /AMS/USDA
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Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
09/02/00	23,864
09/09/00	21,560
09/16/00	23,930
Year to Date - 2000	857,010
Year to Date - 1999	891,639
Total 1999	1,269,741
Total 1998	1,186,117

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>		<u>West</u>		<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN CP
09/16/00	0	2,446	1,784	2,780	9,380	499	7,041	2,133 4,902
This Week Last Year	0	1,924	1,719	2,060	10,619	502	7,514	1,797 4,104
2000 YTD	0	99,245	66,272	106,932	294,961	20,082	269,518	98,214 169,582
1999 YTD	15,522	88,730	61,811	96,372	320,210	24,988	284,006	80,030 142,272
1999 Total	15,522	132,157	88,056	138,379	465,088	33,911	398,262	121,381 206,328
1998 Total	40,192	126,128	77,811	131,158	431,459	34,503	342,609	113,568 215,005

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

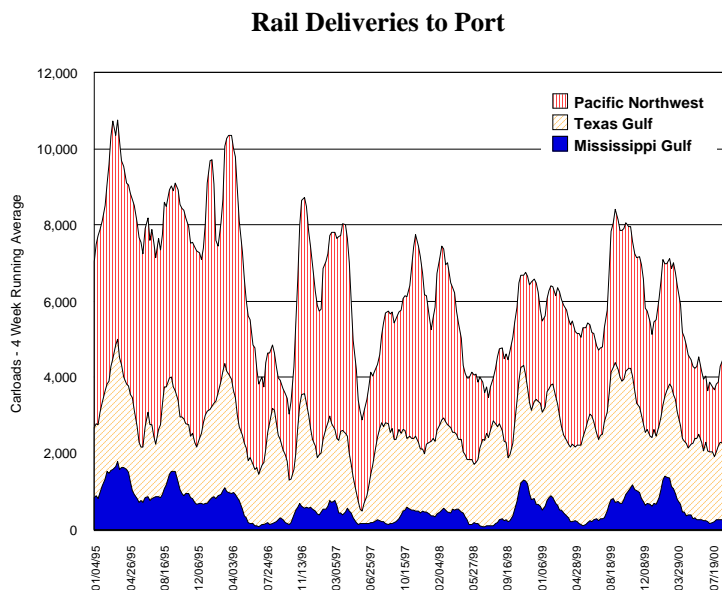
September 2000

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
09/01/00	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
09/01/00	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
09/01/00	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
09/01/00	43586	Wheat	Kansas City, MO	Portland, OR	\$4,240	\$46.74	\$1.27
09/01/00	43581	Wheat	Omaha, NE	Portland, OR	\$3,905	\$43.04	\$1.17
09/01/00	31040	Corn	Minneapolis, MN	Portland, OR	\$2,900	\$31.97	\$0.81
09/01/00	31035	Corn	Kansas City, MO	Portland, OR	\$2,700	\$29.76	\$0.76
09/01/00	31040	Corn	Omaha, NE	Portland, OR	\$2,700	\$29.76	\$0.76
09/01/00	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,830	\$31.19	\$0.85
09/01/00	61180	Soybean	Omaha, NE	Portland, OR	\$2,580	\$28.44	\$0.77
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

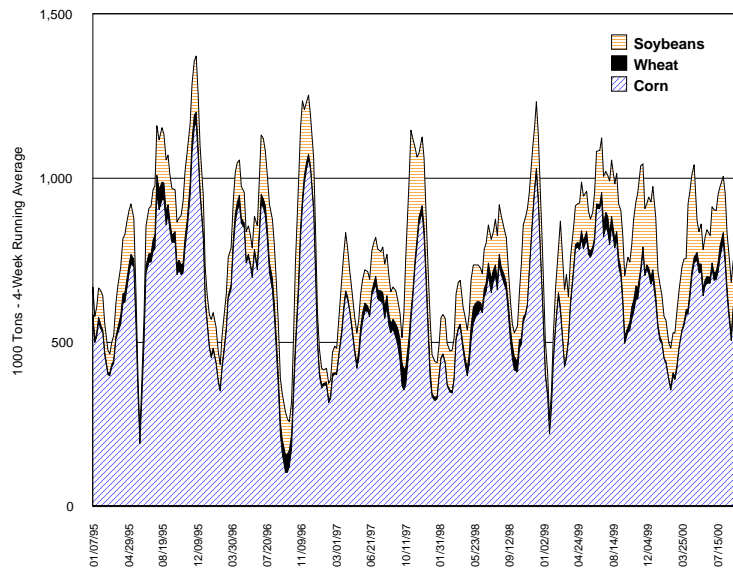
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
08/16/00	182	2,053	2,530	83
08/23/00	407	1,872	2,772	4
08/30/00	299	2,467	2,979	163
09/06/00	262	2,374	3,292	328
09/13/00	257	2,298	2,275*	201
09/20/00	319*	1,799*	1,322*	219
YTD 2000	20,470*	78,017*	95,694*	9,168
YTD 1999	17,771	98,423	112,062	10,622
Total 1998	23,844	115,321	138,461	12,505
Total 1997	20,152	93,265	195,953	9,147
Source: Transportation & Marketing/AMS/USDA				



(*) Incomplete Data

Barge Movements - Locks 27



Barge Grain Movements

for week ending 9/16/00

	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	188	3	50	244
Winfield, MO (L25)	323	9	74	409
Alton, IL (L26)	581	9	120	719
Granite City, IL (L27)	608	11	125	752
Illinois River (L8)	142	0	53	197
Ohio (L52)	54	26	10	110
Arkansas (L1)	1	17	3	21
2000 YTD	23,891	1,854	6,635	33,650
1999 YTD	26,578	2,227	5,747	36,600
Total 1999	36,711	2,883	9,771	51,887
Total 1998	31,001	2,401	8,674	45,134

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers

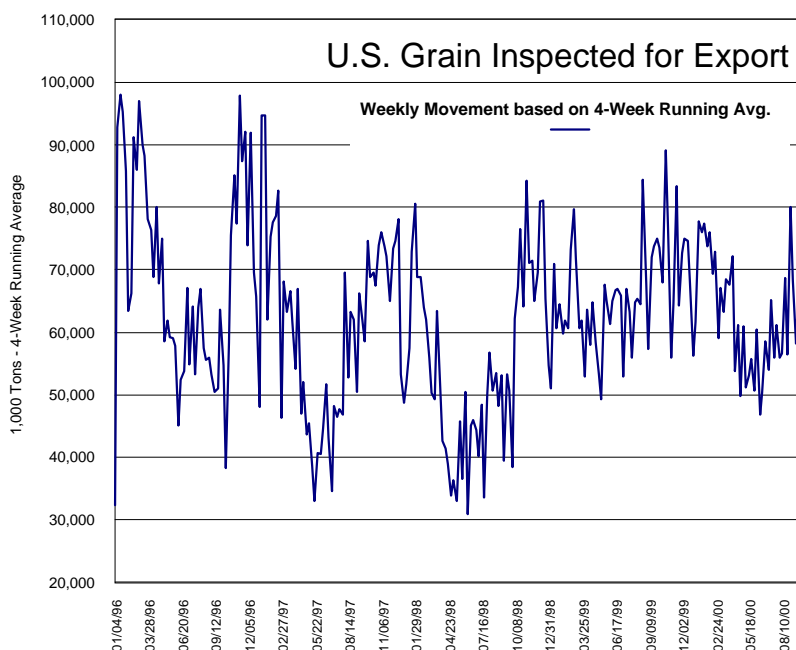
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
09/14/00	1,167	656	854	815	255	3,746	7,509	4,968	16,223
This Week Year Ago	1,254	725	762	642	229	3,612	8,558	4,329	16,499
<u>Cumulative Exports-Crop Year</u>									
99/00 YTD	3,070	1,537	1,699	1,303	377	7,987	1,849	749	10,585
98/99 YTD	4,093	1,050	1,602	832	284	7,860	2,508	17,713	28,081
97/98 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
96/97 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
09/21/00	260	139	0	160	759	223	273	31	9
2000 YTD	7,016	4,587	801	4,883	25,768	11,683	5,175	295	884
1999 YTD *	6,923	6,402	563	4,980	25,839	9,319	6,192	514	914
% of Last Year	65%	105%	123%	97%	82%	78%	71%	53%	63%
1998 Total	10,838	4,373	651	5,048	31,330	14,917	7,270	562	1,392

Source: Federal Grain Inspection Service * YTD-Year-to-Date (*98 = 53 week period)

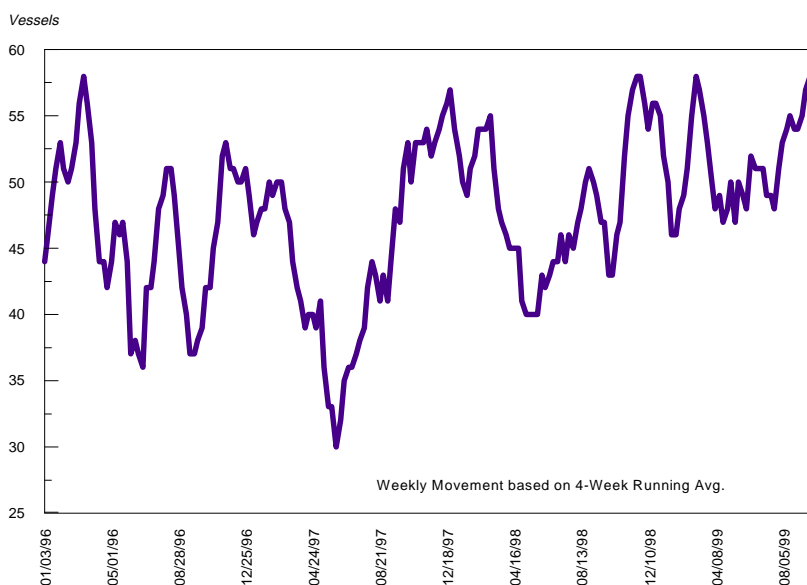
**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 9/22/00			
Vancouver	1,118	83	59
Prince Rupert	28	0	0
Prairie Direct	109	11	26
Thunder Bay	211	93	2
St. Lawrence	386	284	0
2000 YTD Exports	1,852	471	87
1999 YTD Exports	1,480	623	116
% of Last Year	125%	76%	75%

Source: Canadian Grains Commission

YTD-Year-to-Date Crop Year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

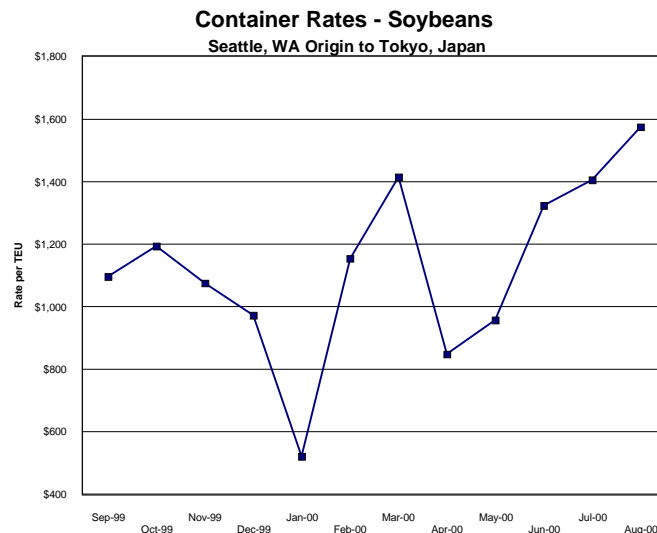
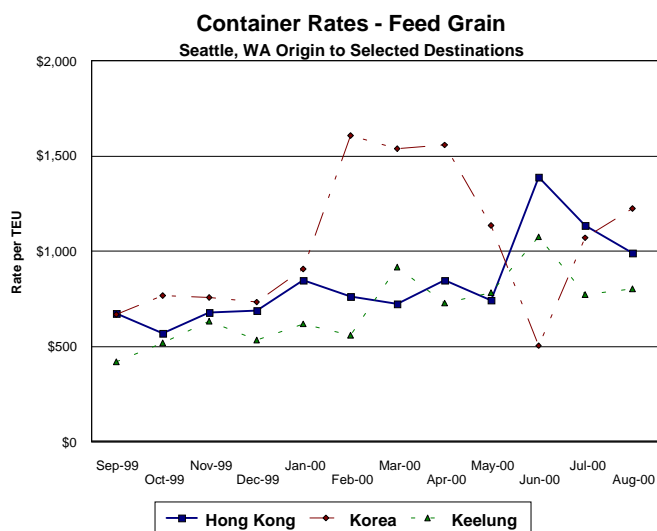
Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
09/14/00	48	49	67	15			13	10	4
09/21/00	50	49	74	10			10	14	3
1999 Range	(14..47)	(39..65)	(34..80)	(6..18)			(2..20)	(2..15)	(0..9)
1998 Range	(19..62)	(34..64)	(40..93)				(1..19)	(3..14)	(0..10)
1999 Avg	32	52	65				9	9	3
1998 Avg	40	48	61				10	9	3
1997 Avg	33	45	58						

Source: Transportation & Marketing /AMS/ USDA

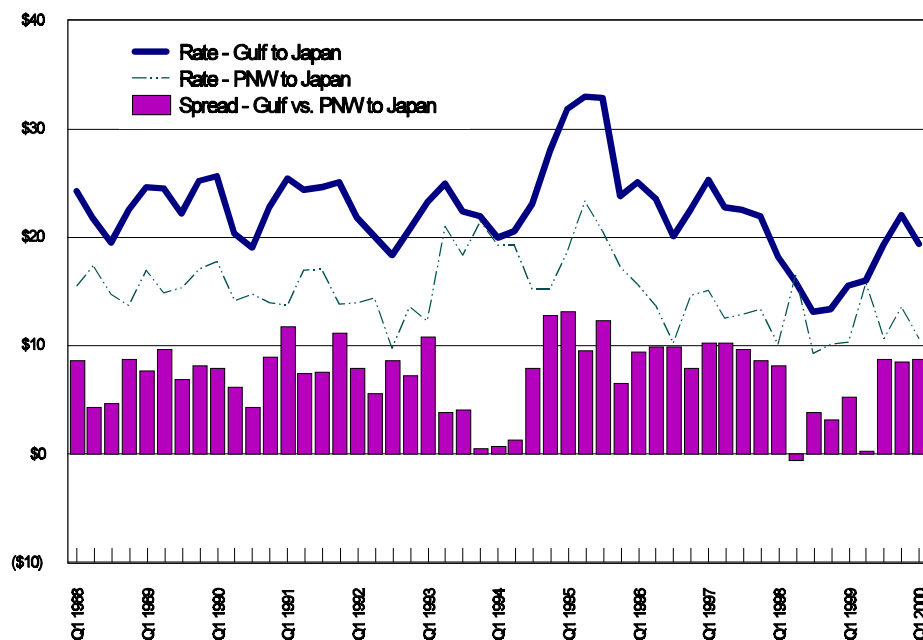
Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share



Source: Transportation & Marketing/AMS/USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2000 2 nd Qtr	1999 2 nd Qtr	% Change		2000 2 nd Qtr	1999 2 nd Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.84	\$16.08	42%	Japan	\$14.37	\$15.83	-9%
Mexico	\$16.58	\$22.45	-26%	Red Sea/ Arabian Sea	\$33.46	\$45.80	-27%
Venezuela	\$11.34	\$13.91	-18%				
N. Europe	\$15.50	\$12.28	26%	Argentina to			
N. Africa	\$20.91	\$17.80	17%	N. Europe	\$18.96	\$23.92	-21%
				Japan	\$26.57	\$20.82	28%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 9/23/00

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Quebec (Can.)	Hamburg	Heavy Grain	Oct8/15	60,000	\$11.50
Gulf	Mexico	Heavy Grain	Prompt	20,000	\$14.00
Gulf	Mexico	Heavy Grain	Sept.	20,000	\$14.00
Gulf	Dominican Republic	Heavy Grain	Sep25/30	25,000	\$14.00
Gulf	Venezuela	Heavy Grain	Sep16/22	27,500	\$15.00
Gulf	Colombia	Wheat	Sep19/27	20,500	\$14.25
PNW	Taiwan	Heavy Grain	Oct5/15	60,000	\$15.50
River Plate	N. France	Grains	Sep20/30	26,500	\$23.50

Source: Maritime Research Inc.; rates shown are for long ton (2,240 lbs.=one long ton), F.O.B., except where otherwise indicated; op=option